



Iowa General Assembly

2005 Committee Briefings

Legislative Services Agency – Legal Services Division

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MOTOR VEHICLE DEALERS STUDY COMMITTEE

Meeting Dates: [October 11, 2005](#)

Purpose. *This compilation of briefings on legislative interim committee meetings and other meetings and topics of interest to the Iowa General Assembly, written by the Legal Services Division staff of the nonpartisan Legislative Services Agency, describes committee activities or topics. The briefings were originally distributed in the Iowa Legislative Interim Calendar and Briefing. Official minutes, reports, and other detailed information concerning the committee or topic addressed by a briefing can be obtained from the committee's Internet page listed above, from the Iowa General Assembly's Internet page at <http://www.legis.state.ia.us>, or from the agency connected with the meeting or topic described.*

MOTOR VEHICLE DEALERS STUDY COMMITTEE

October 11, 2005

Co-chairperson: Senator Matt McCoy

Co-chairperson: Senator John Putney

Co-chairperson: Representative Scott Raecker

Overview. The Motor Vehicle Dealers Interim Study Committee was charged with studying Iowa law pertaining to the relocation of a licensed motor vehicle dealership and was authorized to meet for one day. The Committee's agenda included presentations by representatives of automobile dealer associations and automobile dealers and discussion.

Iowa Automobile Dealers Association (IADA)—Mr. James West. Mr. West stated that the IADA has a neutral position on issues concerning any proposed legislation related to relocation of licensed motor vehicle dealerships in Iowa. Mr. West indicated that the IADA has members who support and who oppose the proposed legislation. Mr. West presented background information explaining statutory regulation of the distribution and sale of new motor vehicles in this state, including Iowa Code Chapter 322, which provides for the licensure and regulation of motor vehicle dealers by the Iowa Department of Transportation, and Iowa Code Chapter 322A, which regulates specific aspects of the franchise relationship between motor vehicle manufacturers and new motor vehicle dealers. Mr. West also provided a survey of laws in other states that regulate the relocation of motor vehicle dealerships based on the concept of "relevant market area" or "area of responsibility," compiled by Martha Martell, general counsel of the IADA.

Iowa Auto Dealers Association for Fair Competition—Mr. Mike Treinen. Mr. Treinen introduced two representatives from new motor vehicle dealers in the Des Moines area, who are members of his association, to make presentations to the Committee.

- **Bob Brown Chevrolet—Mr. Ron Brown.** Mr. Brown, who is the owner of a General Motors franchise located in Urbandale, Iowa, spoke concerning the area of responsibility of his dealership and presented maps which illustrated the relocation or proposed relocation of other motor vehicle dealerships in the Des Moines area to new locations within their areas of responsibility as set out in their franchise agreements. Mr. Brown urged the Committee to support proposed changes to Code Chapter 322 which would regulate relocations of motor vehicle dealerships.
- **Stew Hansen's Dodge City—Mr. Stew Hansen.** Mr. Hansen, who is the owner of a Dodge dealership located in Urbandale, Iowa, spoke about his concern that under current Iowa law a motor vehicle dealer can relocate to the outer edges of its area of responsibility and siphon off the business of an existing dealer already in that area. Mr. Hansen discussed legislation proposed during the 2005 Session of the General Assembly to regulate the relocation of motor vehicle dealers and urged support of the proposed measures during the 2006 Legislative Session.

Iowa Auto Dealers for Equal Opportunity—Mr. James Piazza, Jr. Mr. Piazza stated that he represents approximately 110 motor vehicle dealers doing business in both rural and urban areas throughout the state, who have joined together in

opposition to proposed changes to Iowa Code Chapter 322. Mr. Piazza outlined concerns that his organization has with the proposed legislation, which he stated expands the state's regulatory powers over motor vehicle dealers by restricting the location of new motor vehicle dealerships and restricting the relocation of existing motor vehicle dealerships. Mr. Piazza indicated that his group is also concerned with proposed transition provisions included in the proposed legislation.

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